

**To the Mayor and Members of the City Council****July 21, 2015**

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SUBJECT: FY16 AMBULANCE SERVICE SUBSIDY OPTIONS*Background*

On December 15, 1998, the City Council approved the EMS Interlocal Agreement through M&C C-17191. As required by the Agreement (City Secretary Contract No. 24507), the Area Metropolitan Ambulance Authority, d/b/a MedStar, annually produces a schedule of price/subsidy options for all of its member jurisdictions. Each member city may select its own transport price and/or per capita subsidy. The options provide an opportunity for cities to “buy-down” the average cost of an ambulance transport for its residents by a chosen amount by paying a corresponding per capita subsidy for the provision of services.

The schedule of price/subsidy options is prepared by MedStar utilizing population estimates provided by the US Government Census and the proposed annual operating budget for ambulance services submitted by the Ambulance Authority.

MedStar has not increased its fee structure in the past six years, in part due to the successful diversification of their revenue streams. This was accomplished through the implementation of several prevention-based programs such as its nationally-recognized community paramedics initiative.

Since FY11, the City of Fort Worth has chosen the zero subsidy option, placing the full cost of ambulance services on the recipient of the services. In FY10, the last year the City provided a subsidy, the City paid \$1,630,882.00 in subsidies (calculated at \$2.26 per capita), resulting in a reduced average estimated bill from \$1,448.00 to \$1,296.00 per ambulance transport.

FY16 Price/Subsidy Options

The City is in receipt of the FY16 price/subsidy options from MedStar and is required to make a selection by July 31, 2015.

Options range from continuing the zero subsidy option resulting in an average ambulance fee of \$1,448.00 (this represents no change to FY15 fees), up to a 100% subsidy option costing the City \$36.09 per capita or approximately \$28 million during FY16, and all points in between.

With no funds allocated for this expense since FY11 and no funding included in FY16 preliminary budget requests, staff is preparing documents to continue the zero subsidy option, which maintains ambulance fees at FY15 levels.

David Cooke
City Manager